



June 2016 Phase 1 Quarterly Cost Estimate Update

Activity	Budget Baseline (A)	Prior Forecast (B)	Forecast Adjustments (C) = (D-B)	Current Forecast (D)	Project Cost Incurred through 6/30/16
Project Management	\$ 7,245,606	\$ 11,979,289	\$ 1,029	\$ 11,980,318	\$ 11,756,759
Engineering and Design	\$ 4,019,136	\$ 4,215,406	\$ (33,875)	\$ 4,181,531	\$ 4,000,872
Permitting	\$ 4,577,123	\$ 5,119,013	\$ 202,039	\$ 5,321,052	\$ 4,812,469
Environmental	\$ 2,025,640	\$ 2,077,295	\$ -	\$ 2,077,295	\$ 1,877,199
Procurement	\$ 16,265,381	\$ 14,807,741	\$ 837,083	\$ 15,644,824	\$ 14,016,812
Right of Way	\$ 12,203,771	\$ 14,092,234	\$ 1,520,198	\$ 15,612,432	\$ 16,956,560
Construction	\$ 76,417,509	\$ 81,494,672	\$ 11,145,239	\$ 92,639,911	\$ 54,639,416
Overhead	\$ 15,640,000	\$ 13,088,837	\$ 597,999	\$ 13,686,836	\$ 12,102,458
Project Forecast	\$ 138,394,166	\$ 146,874,487	\$ 14,269,712	\$ 161,144,199	\$ 120,162,544
Contingency	\$ 15,216,167	\$ 6,735,846	\$ (2,301,678)	\$ 4,434,168	n/a
Total With Contingency	\$ 153,610,333	\$ 153,610,333	\$ -	\$ 165,578,367	\$ 120,162,544

Prior Forecast: Reflects forecast as of last quarterly cost estimate update of April, 2016

Project Costs Incurred through 6/30/16: Includes actuals and accruals through June 30th, 2016

Primary Drivers of Forecast Adjustments:

- **Construction:** Increased costs associated with mainline construction including, horizontal directional drills and support, as well as additional rock removal
- **Permitting:** Includes increased costs associated with archeology requirements and miscellaneous permit amendments
- **Right of Way:** Increased costs in right of way acquisition, including costs of eminent domain proceedings and negotiations,
- **Procurement & Contracting:** Additional costs associated with pipe bends, additional pipe acquisition, coating requirements and delivery charges
- **Overhead:** Additional costs related to an increase in project forecast